Supreme Court, U.S.
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IN THE

Supreme Court of the United States

NISSIM CORP.,

Petitioner,

v.

TIME WARNER INC.,
WARNER BROS. ENTERTAINMENT INC.,
WARNER HOME VIDEO INC. and
NEW LINE HOME ENTERTAINMENT INC.,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

Whether the Due Process Clause of the Fifth Amendment bars transfer of venue under 28 U.S.C. § 1404(a) to a forum that lacks minimum contacts with the plaintiff.

PARTIES TO THE PROCEEDING

Petitioner in this Court, plaintiff-petitioner below, is Nissim Corp.

Respondents in this Court, defendants-respondents below, are Time Warner Inc., Warner Bros. Entertainment Inc., Warner Home Video Inc. and New Line Home Entertainment Inc.

CORPORATE DISCLOSURE STATEMENT

Petitioner hereby states that it has no corporate parent, and that no publicly held company owns 10% or more of Petitioner's stock.

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Nissim Corp. ("Nissim") hereby petitions for a writ of certiorari to review the order of the United States Court of Appeals for the Federal Circuit, which denied Nissim's petition for a writ of mandamus to remedy the wrongful transfer of Nissim's patent infringement action to a forum where Nissim has no minimum contacts.

OPINIONS BELOW

The order of the court of appeals is unreported and is reprinted in the Appendix (App.) at 1a. The minutes of the district court denying retransfer for certification of interlocutory appeal are unreported and are reprinted at App. 5a. The order of the district court declining to rule on certification of interlocutory appeal is unreported and is reprinted at App. 7a. The opinion of the district court explaining the transfer order is unreported and is reprinted at App. 13a. The order of the district court transferring the case is unreported and is reprinted at App. 20a.

JURISDICTION

The order of the court of appeals was entered on October 27, 2008. No petition for rehearing was filed.

The district court had jurisdiction to hear Nissim's claim for patent infringement under 28 U.S.C. §§ 1331 & 1338(a). The court of appeals had jurisdiction to hear Nissim's petition for writ of mandamus under 28 U.S.C. § 1651.

This Court's jurisdiction is invoked under 28 U.S.C. § 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

This case involves the statutory provision for transfer of venue, 28 U.S.C. § 1404(a), which states: "For the convenience of parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought."

This case further involves the Due Process Clause of the Fifth Amendment to the United States Constitution, which provides: "No person shall be . . . deprived of life, liberty, or property, without due process of law . . ."

STATEMENT OF THE CASE

Nissim petitions this Court for a writ of certiorari to the United States Court of Appeals for the Federal Circuit, regarding the transfer of Nissim's patent infringement action from the United States District Court for the Southern District of Florida to the United States District Court for the Central District of California – a forum that lacks the minimum contacts with Nissim necessary for the exercise of personal jurisdiction. Under section 1404(a) as applied in this case, a small, intrastate plaintiff can be transferred to any court in the federal system where a large, multistate defendant has contacts, even if the plaintiff has no contacts there whatsoever. This exclusive focus on the defendant's contacts with a transferee forum violates "'traditional notions of fair play and substantial justice.'" *Int'l Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945)

(quoting *Milliken v. Meyer*, 311 U.S. at 463 (1940)). Due process should be held to constrain such boundless transfer and to require that a transferee forum have at least minimal, constitutionally sufficient contacts with a transferred plaintiff.

This case presents an important question of federal jurisdiction and procedure about which lower courts disagree, and for which the usual appellate process offers no practical remedy. Nissim is a small Florida corporation that, under the Due Process Clause of the Fifth Amendment to the United States Constitution, would be subject to personal jurisdiction only in the State of Florida. If Nissim had been sued outside of Florida for declaratory judgment on the very same subject matter, that suit would have been dismissed for lack of personal jurisdiction. *See Red Wing Shoe Co. v. Hockerson-Halberstadt, Inc.*, 148 F.3d 1355, 1359-62 (Fed. Cir. 1998) (finding no personal jurisdiction over patentee with only non-exclusive license relationships in forum state). But by the alchemy of the lower court's application of the federal transfer statute – 28 U.S.C. § 1404(a) – Nissim is now being forced to submit itself to the jurisdiction of a court on the other side of the country to protect its patents from infringement. The few decisions of this Court that address section 1404(a) have secured due process for defendants in transferred cases, but have not considered what due process means for a *plaintiff*.

1. Nissim's only office is in the State of Florida, and the company has only one owner, officer, director and employee: Max Abecassis. Mr. Abecassis emigrated from South America to the United States at age 12, earned a degree from Harvard University, and set out to develop

technology that would become integral to the digital video disc ("DVD") recording medium and to DVD players.

In developing the technology, Mr. Abecassis worked independently, using the resources of his local public library in Miami, Florida. He obtained numerous United States patents for his work, and formed Nissim in the early 1990s to commercialize his various inventions, remaining in Florida all the while. Nissim has licensed the patents to most major manufacturers of DVD players and is in the process of licensing the patents to manufacturers of prerecorded DVDs. Nissim's licenses are all nonexclusive.

2. The present case relates to Nissim's attempt to enforce eleven of its patents against Time Warner Inc. and several of its subsidiaries (collectively, "Respondents"), who are involved in the manufacture of prerecorded DVDs. When Respondents declined Nissim's offer of a license, Nissim filed suit for patent infringement in the Southern District of Florida. The suit alleges that Respondents directly infringe Nissim's patents and that Respondents induced third parties to infringe by leading a consortium that adopted industry-standard DVD specifications incorporating the patented inventions. The case was assigned to District Judge Marcia G. Cooke.

Time Warner Inc. is the largest media conglomerate in the world, with 93,000 employees and over $44 billion in revenues. Its headquarters and principal place of business are in New York, but it does business extensively throughout the nation and across the globe.

Respondents' contacts with Florida are pervasive. They aggressively pursue business in Florida, and have filed hundreds of lawsuits there to enforce their own intellectual property rights. Three of the four Respondents are registered to do business in Florida and maintain registered agents there. It is undisputed that Respondents are subject to personal jurisdiction in the Southern District of Florida.

3. Respondents moved under section 1404(a) to transfer Nissim's suit to the United States District Court for the Central District of California, contending that the balance of factors normally considered on a transfer motion weighed in favor of transfer. Nissim opposed the motion, arguing that the balance of factors did not warrant transfer, and also that due process barred the transfer because Nissim had no minimum contacts, and was not subject to personal jurisdiction, in California.

Respondents requested a hearing on the transfer motion, and Nissim consented. But no hearing was held. Instead, nearly five months later in this complex case involving eleven patents, with nineteen other motions pending and without having heard from the parties even once on a single matter, Judge Cooke granted the transfer motion. The order directed the clerk of court to "take all steps necessary to expedite the Transfer of this matter to the Central District of California" and stated that "[a]n opinion on this Order will be docketed as a separate document entry." App. 20a. The clerk entered the order at 4:24 p.m. that day and effected the transfer at 8:46 a.m. the next morning.

Two weeks later, the court had not issued an opinion on the transfer order. Nissim moved the court to certify the transfer order for interlocutory appeal pursuant to 28 U.S.C. § 1292(b) based on the controlling constitutional question presented, and requested a hearing on that motion. The court, without a hearing or further notice, then "reopened" the case and entered an opinion on the transfer order, but did not address certification.

Because the transfer opinion addressed neither the question of personal jurisdiction nor the motion to certify for interlocutory appeal, Nissim filed a motion to clarify whether the court planned to rule on the motion to certify. The court then entered an order stating that it lost jurisdiction of the case when transfer was effected and therefore declined to address the issues of personal jurisdiction and certification. App. 11a. Instead, the court suggested that Nissim could either move the transferee court to retransfer the case for consideration of the motion to certify, or file a petition for writ of mandamus with an appellate court. App. 11a n.2. Nissim accordingly sought retransfer from the Central District of California for the purpose of having the Southern District of Florida certify its transfer order for interlocutory appeal. That court denied retransfer without a written opinion, thereby precluding Nissim from gaining certification for interlocutory appeal, and at the same time stayed the case pending reexamination at the Patent Office of three of the eleven patents in suit. App. 6a.

4. Having exhausted the possibility of section 1292(b) certification, Nissim filed a petition for writ of

mandamus in the court of appeals pursuant to 28 U.S.C. § 1651. The petition was based on the lack of personal jurisdiction over Nissim in the California forum, and on other infirmities in the district court's transfer order.

On October 27, 2008, the court of appeals denied Nissim's petition in an unpublished order. App. 1a. The court observed that "Nissim argues, inter alia, that the Florida district court should not have transferred the case to the California district court because that is not a district in which the *plaintiff* has minimum contacts sufficient to establish personal jurisdiction over the plaintiff." App. 3a (emphasis in original). Without further comment on the substance of Nissim's arguments, the court denied the petition, stating that "Nissim has not demonstrated a clear and indisputable abuse of discretion." *Id.* 3a-4a.

REASONS FOR GRANTING THE PETITION

This Court's supervisory role over the federal courts compels attention to this issue lying at the critical juncture of federal jurisdiction, statutory procedure and due process. And the Court's role as guarantor of individual liberty calls for attention to any judicial practice that undermines the fundamental liberty interest embodied in the due process limitation on personal jurisdiction. Significantly, federal courts are split on the question presented, with some holding that a transferee court needs personal jurisdiction over the plaintiff, and others holding to the contrary.

I. FEDERAL COURTS ARE SPLIT ON THE ISSUE OF A PLAINTIFF'S DUE PROCESS RIGHTS IN A SECTION 1404(a) TRANSFER

This Court held in *Hoffman v. Blaski*, 363 U.S. 335 (1960), that section 1404(a) does not provide for transfer to a district that would have lacked personal jurisdiction over the *defendant* at the time of suit. The petition here calls upon the Court to decide whether due process forbids transfer under section 1404(a) to a district that lacks personal jurisdiction over the *plaintiff*.

Federal courts are split on the issue. As a result, transfers under the same statutory provision are treated differently depending on where suit is initially filed. This is a wholly unacceptable state of affairs, and is exactly the kind of problem that this Court should address in its role as superintendent of the federal courts.

Among district courts, confusion reigns on this important question of federal jurisdiction and procedure. A number of courts have recognized that section 1404(a) is a mere statutory provision, and as such, must comport with constitutional guarantees, including due process. These courts accordingly have denied transfer motions where the plaintiff did not have sufficient contacts with the transferee district. For instance, transfer was denied in a case where the plaintiff's only contact with the transferee district was a letter the plaintiff had sent there; the plaintiff had never lived in, worked or done business in, or even visited the transferee district, and consequently was not subject to personal jurisdiction there. *Batiste v. OK-1 Mfg. Co.*, 966 F. Supp. 437, 440-41 (M.D. La. 1997).

Absent personal jurisdiction, transfer was held unavailable. Likewise, the court in *Stewart Title, Inc. v. Haenisch*, No. 2:06-cv-00966, 2006 WL 3717419, at *7 (D. Nev. Dec. 14, 2006), denied a motion to transfer because it "would require Plaintiff to waive its objections to [the transferee forum's] exercise of personal jurisdiction over Plaintiff."

An early decision denying transfer under section 1404(a) reasoned that "[t]he purpose of the statute was to allow a transfer of a cause to a court where jurisdiction of the subject matter and of all litigants could both be obtained." *Arvidson v. Reynolds Metals Co.*, 107 F. Supp. 51, 53 (W.D. Wash. 1952). Fundamentally, "[j]urisdiction of the person is a requirement imposed for the benefit of all the parties litigant – plaintiff as well as defendant." *Id.* at 53 n.4. Because the transferee court lacked jurisdiction over the plaintiff, transfer was denied.

Other federal courts deciding transfer motions have explicitly evaluated whether the plaintiff had sufficient contacts with the transferee district. As the court explained in *Steel v. American Circuit Breaker Corp.*, No. 3:05-cv-00029, 2007 WL 1032437, at *1 (W.D.N.C. Mar. 29, 2007), "[i]n determining where to transfer the action, the court must find that venue is proper and personal jurisdiction over the parties exists in the transferee forum." Recognizing that a district court's exercise of jurisdiction "must comport with due process," *id.*, the court found that "the evidence demonstrates that the [transferee court] would have jurisdiction over the Plaintiff," *id.*, and the court granted transfer. *See also Vitria Tech., Inc. v. Cincinnati Ins. Co.*, No. C

05-01951, 2005 WL 2431192, at *4 (N.D. Cal. Sept. 30, 2005) (granting transfer where "Plaintiff has had sufficient minimum contacts with the state of Ohio to facilitate a transfer that does not offend traditional notions of fair play and substantial justice"); *Whiting-Turner Contracting Co. v. USAir, Inc.*, No. 91-2877, 1992 WL 78788, at *1 (D. Md. Apr. 3, 1992) (noting that "venue and personal jurisdiction over the Plaintiff are proper in this court and in the [transferee court], should the case be transferred," but deciding against transfer).

A conflicting result, however, has been reached in a number of other federal courts. Some have adopted an absolute rule that due process and personal jurisdiction matter only with respect to the defendant and not the plaintiff. *Rogan v. United States*, No. 2:07-cv-403, 2008 WL 282351, at *7 n.5 (N.D. Ill. Jan. 31, 2008); *Viron Int'l Corp. v. David Boland, Inc.*, 237 F. Supp. 2d 812, 818 (W.D. Mich. 2002); *Ricoh Co. v. Honeywell, Inc.*, 817 F. Supp. 473, 488 n.29 (D.N.J. 1993). Two courts interpret this Court's decision in *Hoffman v. Blaski* as dictating that rule. *Hilti Aktiengesellschaft v. Milwaukee Elec. Tool Corp.*, No. 04-cv-629, 2004 WL 1812821, at *2 (E.D.N.Y. July 19, 2004); *Walker Marketing, Inc. v. Calico Labs., Inc.*, No. 8:02-cv-367, slip op. at 3 (M.D. Fla. Dec. 9, 2002). But not all agree that *Hoffman* is determinative; the court in *Murray v. Scott*, 176 F. Supp. 2d 1249, 1255 (N.D. Ala. 2001), found that "there is . . . no case that puts forward an argument that supports completely precluding use of *International-Shoe* minimum-contacts analysis for plaintiffs as well as defendants."

A variety of other rationales have been expressed for refusing to recognize a constitutional limit on transfer. One court believed that a transferor court's jurisdiction, to which a plaintiff submits by filing suit, "include[s] jurisdiction to transfer venue." *Clear-Lam Packaging, Inc. v. Rock-Tenn Co.*, No. 1:03-cv-2706, slip op. at 4 (N.D. Ga. Feb. 13, 2004). The court in *Murray* figured that minimum-contacts concerns "are not present when a plaintiff is forced to litigate his case in another forum" because "barring a counterclaim, plaintiff will not have judgment entered against him in the new forum" and "even with a counterclaim, plaintiff chose to initiate litigation." *Id.* at 1255-56. Somewhat similarly, another court theorized that transfer was consistent with personal jurisdiction because the plaintiff "would have consented to the [transferee] court's jurisdiction." *AB Cernelle v. Graminex LLC*, No. 3:03-cv-7057, slip op. at 8 n.4 (N.D. Ohio Nov. 12, 2003).

The split of authority among courts of appeal is less extensive (probably because appellate review of transfer orders is impractical and largely futile, *see infra* Part III), but still evident. Two courts of appeal have held that a declaratory judgment plaintiff cannot defeat transfer by arguing that it would not have been subject to personal jurisdiction if sued for infringement in the transferee district. *U.S. Aluminum Corp. v. Kawneer Co.*, 694 F.2d 193, 196 (9th Cir. 1982); *Emerson Elec. Co. v. Black & Decker Mfg. Co.*, 606 F.2d 234, 239-40 (8th Cir. 1979). And of course, in the present case, the Federal Circuit denied relief after noting Nissim's argument that "the Florida district court should not have transferred the case to the California district court because that is not a district in which the *plaintiff* has

minimum contacts sufficient to establish personal jurisdiction over the plaintiff." App. 3a (emphasis in original). The significance of emphasizing the word "plaintiff" was left to interpretation, but combined with the result the court reached, could be understood as a rejection of due process for plaintiffs in the transfer context.

Compare that result with the reported decision in *Hildebrand v. Steck Mfg. Co.*, 279 F.3d 1351 (Fed. Cir. 2002), in which the same court of appeals reached the opposite result. Hildebrand was a Colorado resident. He invented and patented a type of socket wrench for removing damaged lug nuts from car tires. *Id.* at 1353. He sent cease-and-desist letters to several Ohio companies that he accused of infringement. *Id.* Those companies brought a declaratory judgment action in Ohio. *Id.* Hildebrand brought an infringement action in Colorado. *Id.*

The Colorado district court transferred the action to Ohio over Hildebrand's objection that, among other things, he was not subject to personal jurisdiction in Ohio. *Id.* When Hildebrand refused to participate in the Ohio proceedings, the Ohio district court dismissed the infringement case and granted default judgment on the declaratory judgment case. *Id.* at 1353-54. Hildebrand appealed to the Federal Circuit, which reversed and remanded, holding that Hildebrand was not subject to personal jurisdiction in Ohio. *Id.* at 1356-57.

The Federal Circuit's decision meant not only that the Ohio court could not reach Hildebrand for purposes of the declaratory judgment action in which he was the

defendant, but that the court had no jurisdiction over Hildebrand for purposes of his transferred infringement action, either. On remand, the district court, in accordance with the Federal Circuit's decision, dismissed the declaratory judgment action, *Steck Mfg. Co. v. Hildebrand*, No. 3:98-cv-196 (S.D. Ohio May 29, 2002), and transferred the infringement action back to Colorado for further proceedings, *Hildebrand v. Steck Mfg. Co.*, No. 3:99-cv-512 (S.D. Ohio June 3, 2002).

The diametrically opposed results in the present case and in *Hildebrand* demonstrate that the transfer statute is interpreted differently not only in various federal courts, but in different cases before the very same court of appeals. Something is clearly wrong. Such confusion about one of the bread-and-butter procedures of the federal system is unacceptable and calls for this Court's immediate attention.

II. THE DUE PROCESS CLAUSE TRUMPS STATUTORY PROCEDURE AND FORBIDS A TRANSFEREE COURT'S EXERCISE OF PERSONAL JURISDICTION ABSENT MINIMUM CONTACTS

Personal jurisdiction is a cornerstone of individual liberty. As this Court has explained:

> The requirement that a court have personal jurisdiction flows not from Art. III, but from the Due Process Clause. The personal jurisdiction requirement recognizes and protects an individual liberty interest. It represents a restriction on judicial power not

> as a matter of sovereignty, but as a matter of individual liberty.

Ins. Corp. of Ireland, Ltd. v. Compagnie des Bauxites de Guinee, 456 U.S. 694, 702 (1982). Such a fundamental right must be honored for litigants on "both sides of the v." This Court's action is necessary to secure for plaintiffs the full measure of protection that due process entitles them. The Due Process Clause should be held to forbid transfers under section 1404(a) to a transferee court that lacks personal jurisdiction over the plaintiff.[1]

Under this Court's well-developed due process doctrine, personal jurisdiction requires minimum contacts with the forum and, further, reasonableness in the exercise of jurisdiction. *See generally Asahi Metal Indus. Co. v. Super. Ct. of Cal., Solano County*, 480 U.S. 102, 108-113 (1987). Section 1404(a) cannot manufacture these requirements out of thin air. A mere statute cannot trump constitutional due process. *Marbury v. Madison*, 5 U.S. (1 Cranch) 137, 178-80 (1803).

A district court depends on personal jurisdiction for its authority in transferred cases no less than in other cases. The requirements of minimum contacts and reasonableness are constant. For example, if Respondents had attempted to sue Nissim in the Central District of California for a declaratory judgment of patent invalidity or noninfringement, the suit would

[1] In federal court, the Due Process Clause of the Fifth Amendment is the source of protection. *See Omni Capital Int'l, Ltd. v. Rudolf Wolff & Co.*, 484 U.S. 97, 103-04 (1987) (accepting plaintiff's premise that Fifth Amendment due process applies).

have been dismissed for lack of personal jurisdiction. *See Red Wing Shoe Co. v. Hockerson-Halberstadt, Inc.*, 148 F.3d 1355, 1359-62 (Fed. Cir. 1998). And it would have gained Respondents nothing to sue Nissim in Florida and then seek transfer to California. *Cf. Hoffman v. Blaski*, 363 U.S. 335, 343-44 (1960) (holding transfer available only where personal jurisdiction would have obtained at time of suit).

Yet the lower courts in this case have in effect treated Nissim's attempt to enforce its patent rights in Florida as an implied consent to personal jurisdiction throughout the federal system from Maine to Hawaii. That is an extreme misinterpretation of the simple act of filing suit in a local federal court, on a federal question over which federal courts have exclusive jurisdiction. Although this Court explained in *Insurance Corp. of Ireland* that the due process right to personal jurisdiction may be waived, the Court made clear through a list of examples that such waivers are, as one might expect for a *waiver*, well-defined and volitional. 456 U.S. at 705 (listing examples such as forum selection clauses, stipulations, arbitration agreements, litigation in the forum and failures to object); *see Black's Law Dictionary* (8th ed. 2004) (defining waiver by explaining that "[t]he party alleged to have waived a right must have had both knowledge of the existing right and the intention of foregoing it").

Nothing supports the idea that filing suit in federal court represents an undifferentiated, nationwide waiver of objection to personal jurisdiction throughout the federal system. Nor can plaintiffs give informed consent to some lurking but unknowable subset of districts

where suit "might have been brought." How, for example, could Nissim have delimited the jurisdictions in which the world's largest media conglomerate might have been sued? Due process should be held to circumscribe the range of forums to which a plaintiff may be unwillingly transferred, by requiring minimum contacts between the plaintiff and the transferee forum.

The limited legislative history of section 1404(a) suggests that Congress viewed the provision, at least in part, as protection for defendants against plaintiffs who brought cases in highly inappropriate forums to vex and harass. The Revisor's Notes cite *Baltimore & Ohio R. Co. v. Kepner*, 314 U.S. 44 (1941), a case in which the events, witnesses and plaintiff were all located in Ohio, but the plaintiff brought suit in New York. The defendant was subject to suit in either place. The Court found no barrier to the New York forum. Congress intended section 1404(a) to remedy such abuses. However, what began in part as a remedy for abusive litigation by plaintiffs has become, in some courts, a judicially sanctioned subterfuge of plaintiffs' fundamental rights. Defendants have thus managed to beat plowshares into swords.

Here, Nissim has no contacts with the State of California and did nothing to "purposefully avail[] itself of the privilege of conducting activities within the forum State." *Asahi*, 480 U.S. at 110 (quoting *Hanson v. Denckla*, 357 U.S. 235, 253 (1958)). The company's sole office and employee are in Florida. All of the company's licenses are non-exclusive. On these and other grounds, Nissim established below that it is not properly subject to personal jurisdiction in California. The lower courts, however, evaded the issue.

The present case demonstrates that a plaintiff's interests are more likely to be harmed than a defendant's by a transfer. Of course, a transfer strips away the plaintiff's chosen forum and replaces it with the defendant's preferred forum. But in addition, plaintiffs who are relatively small and weak are at once more likely to see their cases transferred and more detrimentally impacted. Transfer is more likely because a much larger defendant is likely to have more employees, documents or other sources of evidence that are factored into transfer decisions. Transfer is more detrimental because an individual or small business faces disproportionate hardship litigating in the transferee forum instead of the chosen forum, especially compared to a defendant who had enough contacts to support jurisdiction in the chosen forum yet gains its preferred forum through transfer. Absent an effective constitutional safeguard, transfer poses a threat to "'traditional notions of fair play and substantial justice.'" *Int'l Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945) (quoting *Milliken v. Meyer*, 311 U.S. at 463 (1940)).

Once transferred, plaintiffs find themselves on the horns of a dilemma. They can submit to the transferee court even though the minimum contacts ordinarily required for personal jurisdiction are absent – in other words, they can forfeit their constitutional right to due process. Or, they can drop the case upon transfer and effectively forfeit the rights in suit – in this case, constitutionally protected property rights in the form of United States patents, *see Florida Prepaid Postsecondary Educ. Expense Bd. v. College Sav. Bank*, 527 U.S. 627, 642 (1999) (stating that patents "are surely included within the 'property' of which no person may

be deprived . . . without due process of law"). Further, dropping a suit is more easily said than done. A plaintiff cannot so easily extricate itself from a suit in progress, especially one that has advanced well beyond the point of an answer or motion to dismiss. Federal Rule of Civil Procedure 41(a) commands that a plaintiff can drop a suit only with the consent of the other party by stipulation, Fed. R. Civ. P. 41(a)(1)(A)(ii), or "by court order, on terms that the court considers proper," Fed. R. Civ. P. 41(a)(2). In either instance, the plaintiff may be required to pay the defendant for costs and attorney's fees if suit is dropped. 9 Charles A. Wright & Arthur R. Miller, *Federal Practice & Procedure* § 2366 (2008). Faced with forfeiture of significant property rights and potential liability for costs and fees, plaintiffs are, in a very real sense, *forced* to submit to transferee court jurisdiction, in violation of their fundamental right to due process of law. The unfair choice for such a transferred plaintiff is to either waive its due process rights, or waive its property rights.

This Court has addressed section 1404(a) in only three cases in the last forty-two years, the most recent of which was almost twenty years ago. *Ferens v. John Deere Co.*, 494 U.S. 516 (1990); *Stewart Organization, Inc. v. Ricoh Corp.*, 487 U.S. 22 (1988); *Piper Aircraft Co. v. Reyno*, 454 U.S. 235 (1981). Meanwhile, transfers have occurred with increasingly high frequency, especially in the last few years. Data from the Administrative Office of the United States Courts show that the number of cases filed annually has remained roughly constant over the past decade, but the number of transfers has skyrocketed. During the years 1999 to 2002, there were roughly 250,000 cases filed annually

and fewer than 9,000 transfers annually. From 2003 to 2007, the number of filings remained roughly 250,000 annually, while the number of transfers rose rapidly to over 27,000 in 2007, representing over 10% of cases filed. Lackadaisical attention to plaintiffs' interests correlates with this explosion of transfers, and with a general absence of constitutional boundary conditions that would minimally constrain lower courts.

None of this Court's section 1404(a) decisions directly addresses the constitutional limits on transfer. A couple of courts have relied on this Court's decision in *Hoffman v. Blaski*, 363 U.S. 335 (1960), to hold that due process and personal jurisdiction matter only for defendants, not plaintiffs. But *Hoffman* did not decide that issue. The defendant in *Hoffman* volunteered for transfer to a district where he would not otherwise have been subject to personal jurisdiction. The question was one of timing. Section 1404(a) limits transfer to districts where suit "might have been brought." The defendant argued that the limitation "should be held to relate not only to the time of the bringing of the action, but also to the time of the transfer." *Id.* at 342. The Court, however, held that the limitation referred to the time at which the action was brought. *Id.* at 342-43.

Nothing in *Hoffman* considers, much less decides, the due process interests of plaintiffs. The lower courts that rely on *Hoffman* to deny plaintiffs protection cite this Court's statement that transfer "depend[s] not upon the wish or waiver of the defendant but, rather, upon whether the transferee district was one in which the action 'might have been brought' by the plaintiff." *Id.* at 343-44. As a matter of logic, the Court's rejection

of a defendant's request for transfer because a plaintiff could not have obtained personal jurisdiction over the defendant in the proposed transferee court, says nothing about a defendant's request for transfer to a court that lacks personal jurisdiction over the plaintiff. As one commentator explained:

> The majority is stating, not what the statute means, but that the statute does not mean what petitioners contend. The words chosen by the majority reflect, not a consideration of the various possible interpretations of "where it might have been brought," but merely use of one natural meaning of that phrase as a short-hand for rejecting petitioner's interpretation. Not having considered other possible interpretations, the majority did not reject them.

Michael J. Waggoner, *Section 1404(a), "Where It Might Have Been Brought": Brought By Whom?*, 1988 B.Y.U. L. Rev. 67, 85-86 (1988).

This Court now has an opportunity to bring order and constitutional principle to the runaway use of the transfer statute. Minimum contacts and reasonableness should be recognized as a constitutional constraint on the otherwise virtually unreviewed discretion of trial judges to transfer venue.

III. THE QUESTION PRESENTED IS A MATTER OF LAW APPROPRIATE FOR CERTIORARI, AND IS SO IMPRACTICAL TO APPEAL THAT IT CAN SCARCELY BE EXPECTED TO COME BEFORE THE COURT AGAIN

The question presented is purely one of law, justifying certiorari review of the appeals court's denial of mandamus. As that denial illustrates, effective appellate review of section 1404(a) transfers is nearly impossible, foreclosing any reasonable expectation that the issue will be further developed among the circuit courts of appeals, much less presented to this Court again in the foreseeable future. The Court should take advantage of this exceptional opportunity to settle an important yet troubled matter of federal jurisdiction and procedure.

A. The Court of Appeals Abused Its Discretion in Denying Mandamus

The court of appeals abused its discretion in denying Nissim's petition for a writ of mandamus. The requirements for mandamus are that: (1) " 'the party seeking issuance of the writ [has] no other adequate means to attain the relief he desires,' " *Cheney v. U.S. Dist. Ct. for Dist. of D.C.*, 542 U.S. 367, 380 (2004) (quoting *Kerr v. U.S. Dist. Ct. for Northern Dist. of Cal.*, 426 U.S. 394, 403 (1976)); (2) the party seeking relief satisfies " 'the burden of showing that [his] right to issuance of the writ is "clear and indisputable" ' ", *id.*; and (3) "the issuing court, in the exercise of its discretion, [is] satisfied that the writ is appropriate

under the circumstances," *id.* These requirements, "however demanding, are not insuperable." *Id.*

Here, no other adequate means of relief are available. Nissim's request to certify the transfer order for interlocutory appeal under 28 U.S.C. § 1292(b) was evaded. And post-trial appeal is a futile exercise because courts of appeals are loathe to overturn transfer decisions after a case has proceeded all the way through trial. *See Howell v. Tanner*, 650 F.2d 610, 616 (5th Cir. 1981) ("Appellate review is limited because it serves little purpose to reappraise such an inherently subjective decision."); *A. Olinick & Sons v. Dempster Bros., Inc.*, 365 F.2d 439, 444 (2d Cir. 1966) (stating that transfer decisions are "almost impossible to correct by review after trial" and are "almost never" overturned). For patent plaintiffs, the viability of review is especially problematic, because the Court of Appeals for the Federal Circuit has held that a plaintiff waives objection to transfer by continuing to litigate in the transferee court (even though the alternative would obviously be default). *See Sitrick v. Dreamworks, LLC*, 516 F.3d 993, 1002 (Fed. Cir. 2008).

The question presented is purely a matter of law: whether the Due Process Clause bars transfer to a venue that lacks personal jurisdiction over a plaintiff. If Nissim is correct in its substantive argument, its right to issuance of the writ is clear and indisputable. *See Koon v. United States*, 518 U.S. 81, 100 (1996) ("A district court by definition abuses its discretion when it makes an error of law."). Under these circumstances, a writ of mandamus is not only appropriate, but compelling.

B. Certiorari Is Proper and Warranted

Statutory certiorari pursuant to 28 U.S.C. § 1254(1) is an appropriate mechanism for this Court to review an appellate court's decision regarding mandamus. *See, e.g.*, *Cheney*, 542 U.S. at 378 (granting certiorari, vacating appellate court's denial of mandamus and remanding for reconsideration of mandamus petition). Indeed, this Court in *Hoffman v. Blaski*, 363 U.S. 335 (1960), granted a writ of certiorari in connection with the decision of a court of appeals to grant mandamus and reverse a transfer order. This Court affirmed. Here, the court of appeals denied mandamus, but the overall procedural posture is equivalent to *Hoffman* for purposes of granting certiorari.

Appellate decisions on this issue are unlikely to resolve the ongoing turmoil at the trial-court level. Transfer orders under section 1404(a) are interlocutory and thus not ordinarily appealable. *See Chrysler Credit Corp. v. Country Chrysler, Inc.*, 928 F.2d 1509, 1517 n.7 (10th Cir. 1991). For interlocutory appellate review, a party opposed to a transfer "may seek certification under 28 U.S.C. 1292(b) . . . or else petition for mandamus." *Id.* But certification by the transferring court, as well as the avenue of mandamus, are handicapped by elevated burdens of proof and standards of review. *See* David E. Steinberg, *The Motion to Transfer and the Interests of Justice*, 66 Notre Dame L. Rev. 443, 476 (1990) ("The relatively few appellate court decisions reviewing motions to transfer on writs of mandamus typically have affirmed district court decisions in summary orders."). Such "limited appellate review of transfer orders has not and will not produce

coherent standards." *Id.* at 476. This case is a perfect example. The district court refused to certify Nissim's constitutional issue for interlocutory appeal, and the court of appeals denied mandamus in a short opinion that recited but did not address Nissim's due process argument. Post-trial appeal, which would not come for years, can hardly be expected to yield deeper consideration of the question presented. *See A. Olinick*, 365 F.2d at 444 (recognizing futility of review of transfer decision after trial of the case on the merits).

It is telling that the appellate decisions in *United States Aluminum* and *Emerson Electric* are over twenty-five years old. Waiting for additional appellate development could take generations. Instead, this Court should exercise its authority both to resolve splits among the lower courts and to bring order to an important issue of federal jurisdiction and procedure. At an astonishing 27,000 per year, transfer decisions now litter the federal litigation landscape. Clarity and guidance are needed, as are some minimum constraints on district courts' powers to change venue.

This case offers the Court a rare opportunity to address ongoing problems with the day-to-day application of section 1404(a) – problems at the juncture of federal jurisdiction, federal procedure and constitutional law. Nissim has diligently preserved its objection to personal jurisdiction throughout the lower court proceedings and exhausted every practical mechanism for review. The district court proceedings are presently stayed pending patent reexamination of some of the patents in suit. Recognizing that the Constitution is the "supreme Law of the Land,"

U.S. Const. art. VI, cl. 2, this Court should require that the federal statute for transfer of venue be applied in a manner respecting the constitutional rights of plaintiffs as well as defendants.

CONCLUSION

For the foregoing reasons, the Court should grant the Petition for a Writ of Certiorari.

Respectfully submitted,

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APPENDIX

APPENDIX A — ORDER OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT FILED OCTOBER 27, 2008

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

MISCELLANEOUS DOCKET NO. 881

IN RE NISSIM CORP.,

Petitioner.

On Writ of Mandamus from the United States District Court for the Southern District of Florida in case no. 1:07-CV-20624, Judge Marcia G. Cooke.

ON PETITION FOR WRIT OF MANDAMUS

Before MICHEL, *Chief Judge*, MAYER and LOURIE, *Circuit Judges*.

MAYER, *Circuit Judge*.

ORDER

Nissim Corp. petitions for a writ of mandamus directing the United States District Court for the Southern District of Florida to vacate its order that transferred the underlying case to the United States District Court for the Central District of California and to direct the California district court to retransfer the case to the Florida district court.

Appendix A

In the Florida district court, Nissim sued Time Warner Inc., Warner Bros. Entertainment Inc., Warner Home Video Inc. (now known as Warner Home Entertainment Inc.) and New Line Home Entertainment Inc. (collectively Time Warner) for patent infringement. Time Warner moved to transfer the action to the California district court pursuant to 28 U.S.C. § 1404(a) (district court may transfer an action for the convenience of the parties). The district court granted the motion, determining, inter alia, that the majority of key witnesses and documents are located within the Central District of California, that the action could have been brought in the Central District of California, and that most of the alleged wrongful activity occurred in that district.

After the case was transferred to the California district court, Nissim moved to retransfer the action to the Florida district court. The California district court denied the motion to retransfer.

The remedy of mandamus is available only in extraordinary situations to correct a clear abuse of discretion or usurpation of judicial power. *In re Calmar, Inc.*, 854 F.2d 461, 464 (Fed. Cir. 1988). A party seeking a writ bears the burden of proving that it has no other means of attaining the relief desired, *Mallard v. U.S. Dist. Court for the Southern Dist. of Iowa*, 490 U.S. 296, 309 (1989), and that the right to issuance of the writ is "clear and indisputable," *Allied Chem. Corp. v. Daiflon, Inc.*, 449 U.S. 33, 35 (1980). A court may deny mandamus relief "even though on normal appeal, a court might find

reversible error." *In re Cordis Corp.*, 769 F.2d 733, 737 (Fed. Cir. 1985).

In addition to general disagreement with the district court's factual determinations, Nissim argues, inter alia, that the Florida district court should not have transferred the case to the California district court because that is not a district in which the *plaintiff* has minimum contacts sufficient to establish personal jurisdiction over the plaintiff.

In reviewing a district court's ruling on a motion to transfer pursuant to § 1404(a), we apply the law of the regional circuit. *See Storage Tech. Corp. v. Cisco Sys., Inc.*, 329 F.3d 823, 836 (Fed. Cir. 2003). Although Nissim expressly challenges the decisions of both the Florida district court and the California district court, perhaps implicating the law of the Eleventh Circuit and the Ninth Circuit, we note that in any event both circuits review a district court's decision whether to transfer pursuant to section 1404(a) for an abuse of discretion. See *Brown v. Connecticut Gen. Life Ins. Co.*, 934 F.2d 1193, 1197 (11th Cir. 1991) ("Absent a clear abuse of discretion, an appellate court will not reverse a court's decision to transfer a case."); *Sparling v. Hoffman Const. Co., Inc.*, 864 F.2d 635, 639 (9th Cir. 1988) (review of district court's decision to transfer is for abuse of discretion); *Commodity Futures Trading Comm'n*, 611 F.2d 270, 279 (9th Cir. 1979) ("Weighing of the factors for and against transfer involves subtle considerations and is best left to the discretion of the trial judge."). In the papers submitted, Nissim has not demonstrated a clear and

indisputable abuse of discretion and thus has not met its burden to obtain a writ of mandamus.

Accordingly,

IT IS ORDERED THAT:

The petition for a writ of mandamus is denied.

FOR THE COURT

s/ Haldane Robert Mayer
Haldane Robert Mayer
Circuit Judge

October 27, 2008
Date

APPENDIX B — MINUTES OF THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA FILED JUNE 12, 2008

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES — GENERAL

Case No. CV 08-742-VBF(MANx)
Dated: **June 12, 2008**

Nissim Corporation

-v-

Time Warner, Inc., et al.

PRESENT: HONORABLE VALERIE BAKER FAIRBANK, U.S. DISTRICT JUDGE

Rita Sanchez	Katie Thibodeaux
Courtroom Deputy	Court Reporter

ATTORNEYS PRESENT FOR PLAINTIFFS:

John C. Carey

ATTORNEYS PRESENT FOR DEFENDANTS:

Vincent J. Belusko
Scott C. Moore

Appendix B

PROCEEDINGS: PLAINTIFF'S MOTION TO RETRANSFER FOR PURPOSES OF CERTIFYING INTERLOCUTORY APPEAL; DEFENDANTS' RENEWED MOTION FOR A STAY PENDING OUTCOME OF REEXAMINATION PROCEEDINGS [fld 05/05/08]

For the reasons set forth on the record, the Court DENIES Plaintiff's Motion to Retransfer for Purposes of Certifying Interlocutory Appeal, and GRANTS Defendants' Renewed Motion for a Stay Pending Outcome of Reexamination Proceedings. As reflected on the record, the parties may move the Court to lift or modify the Stay if circumstances change.

The Court sets on the non-appearance calendar an Order to Show Cause ("OSC") regarding the Stay for September 22, 2008, at 8:30 am. Counsel jointly or individually shall fire short status reports one week before said OSC.

APPENDIX C — ORDER OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA DATED APRIL 3, 2008

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

CASE NO. 07-20624-CIV COOKE/BROWN

NISSIM CORP.,

Plaintiff,

v.

TIME WARNER, INC., *et al.*,

Defendants.

ORDER

THIS MATTER is before the Court upon Plaintiff's Motion for Clarification of Court's Disposition of Motion to Certify Transfer Order for Interlocutory Appeal [DE 153]. On January 31, 2008, this Court granted Defendants' motion to transfer this case to the Central District of California and the Case was terminated. *See* DEs 28, 140. The transmittal letter, along with a certified copy of the order, was sent to the Central District of California on February 1, 2008 [DE 142]. An acknowledgment of the receipt of the transmittal letter was docketed six days later on February 7, 2008 [DE 144]. On February 14, 2008, a week after the Central

District of California acknowledged receipt, and two-weeks after the Order of Transfer, Plaintiff filed its Motion for Leave to Appeal Interlocutory Transfer Order [DE 146]. The Court entered its Opinion [DE 150] supporting the Order of Transfer on February 25, 2008. On the next day, a second transmittal letter was sent to the Central District of California [DE 151]. A conforming acknowledgment of receipt was then docketed on March 11, 2008 [DE 152]. Despite the fact that the Case was terminated and this Court divested of jurisdiction over the matter, Plaintiff filed the instant motion for clarification on disposition of their Motion for Leave to Appeal Interlocutory Transfer Order.

This Court lacks jurisdiction over the Motion for Leave to Appeal Interlocutory Transfer Order. The general rule is that upon delivery of a certified order of transfer, along with the case file, to the transferee court, the transferor court loses jurisdiction. *See Koehring Co. v. Hyde Const. Co.*, 382 U.S. 362 (1966); *Roofing & Sheet Metal Services, Inc. v. La Quinta Motor Inns, Inc.*, 689 F.2d 982, 988 n.10 (11th Cir. 1982) ("When the files in a case are physically transferred to the transferee district, the transferor court loses all jurisdiction of the case."); *In re Southwestern Mobile Homes, Inc.*, 317 F.2d 65, 66 (5th Cir. 1963) [1] (*per curiam*) (denying a motion for leave to file a writ of mandamus because the transferor court had lost jurisdiction where a formal order of transfer

1. Decisions of the Fifth Circuit prior to October 1, 1981 are binding precedent in this Circuit. *Bonner v. City of Prichard*, 661 F.2d 1206, 1207 (11th Cir. 1981).

was entered, two days later the transferee court received and docketed the papers, and another two days later the petitioner filed its motion); 15 Charles Alan Wright, Arthur R. Miller, and Edward H. Cooper, Federal Practice & Procedure § 3846 (3d ed. 2008) ("When a motion for transfer under Section 1404(a) of the Judicial Code of the United States has been granted, and the papers lodged with the clerk of the transferee court, it is well settled that the transferor court—and the appellate court that has jurisdiction over it—loses all jurisdiction over the case and may not proceed further with regard to it."); *Techosteel, LLC v. Beers Constr. Co.*, 271 F.3d 151, 157 (4th Cir. 2001) ("While . . . courts have adhered to the general rule that a § 1404(a) transfer contemplates a plenary transfer of the entire case, and that a transferor court loses jurisdiction over a case once the file is physically transferred to the transferee district, the courts have done so in the context of interlocutory decisions that are not immediately appealable when entered.") (internal quotations marks and citation omitted); 32A Am. Jur. 2d Federal Courts §1327 (stating the rule). *See also In re Sosa*, 712 F.2d 1479, 1480 (D.C.Cir.1983); *In re Nine Mile Ltd.*, 673 F.2d 242, 243 (8th Cir.1982); *Starnes v. McGuire*, 512 F.2d 918, 924, 935 (D.C.Cir.1974) (*en banc*).

Plaintiff argues that this Court retains jurisdiction because "[a] district court does not divest itself of jurisdiction to reconsider or certify its order merely because the transferee court can also access the same electronic case file that is maintained on the ECF/Pacer

system." This issue has not been squarely addressed by this Court or this Circuit. To support its argument, Plaintiff relies on *Chamberlain v. US Bankcorp Cash Balance Retirement Plan*, 2005 WL 2757921 (S.D. Ill. Oct. 25, 2005), an unreported case from the Southern District of Illinois. *Chamberlain* holds that where a district court uses an electronic filing system, the question of physical transfer of the record is irrelevant to jurisdiction, and a court should look to the following factors to determine if it properly has jurisdiction to reconsider a transfer order: (1) whether the original transfer order was intended to be effective instantly; (2) whether the transferee court had attempted to assert jurisdiction; and, (3) whether either party attempted to persuade the transferee court to exercise jurisdiction. *Id.* at *1. While *Chamberlain* is not controlling, I do find its logic persuasive, albeit not in the way Plaintiff may have wanted.

Here, the transfer order was meant to be instantly effective. The original order states: "An opinion on this Order will be docketed as a separate document entry. The Clerk shall take *all steps necessary to expedite the Transfer* of this matter to the Central District of California." Additionally, it is clear from the Central District of California's docket that Judge Fairbank has asserted jurisdiction. A review of the Central District of California's docket for this Case (2:08-cv-00742-VBF-MAN) shows that on February 4, 2008, the "ORIGINAL file, certified copy of the transfer order and docket sheet [were] received . . . . [And the] [c]ase assigned to Judge Valerie Baker Fairbank, Discovery referred to

Magistrate Judge Margaret A. Nagle." Ten days later, Judge Fairbank entered her "Standing Order." Judge Fairbank has also entered an Order relieving certain attorneys as counsel of record. This is distinguished from *Chamberlain* where the court had not made any rulings, had performed only routine, administrative tasks, and had actually stayed its proceedings pending resolution of the reconsideration question. 2005 WL 275792, *2. Furthermore, the application by certain counsel to withdraw as defense counsel of record, let alone Judge Fairbank's granting of it, amounts to a request that the Central District of California exercise jurisdiction.

As this Court lacks jurisdiction over the Motion for Leave to Appeal Interlocutory Transfer Order, I decline to address Plaintiff's arguments regarding the interpretation and application of 28 U.S.C. § 1404 and whether Plaintiff has established adequate bases for certification for interlocutory appeal.[2] Moreover, and for

2. Although Plaintiff has expressed a concern that this Court's failure to certify the transfer order for interlocutory appeal will render Plaintiff unable to challenge the transfer until a final judgment is rendered, that concern is unfounded. At least two options are available to Plaintiff to seek review of the transfer order. First, Plaintiff can move the transferee court to stay its proceedings and retransfer the case to its original jurisdiction for disposition of the interlocutory appeal. Second, the Plaintiff may petition the Court of Appeals for the Eleventh Circuit for an extraordinary writ of mandamus to review the transfer order. Admittedly, Eleventh Circuit precedent, and binding Fifth Circuit precedent, clearly articulate the opinion that mandamus rarely will issue to correct a district court's abuse

(Cont'd)

the reasons stated *supra*, this Court lacks jurisdiction over Plaintiff's motion for clarification.

Accordingly, it is hereby **ORDERED and ADJUDGED** that Plaintiff's Motions for Leave to Appeal Interlocutory Transfer Order [DE 146] and Clarification of Court's Disposition of Motion to Certify Transfer Order for Interlocutory Appeal [DE 153] are both **DENIED *for lack of jurisdiction.***

DONE and ORDERED in chambers, Miami, Florida, this 3rd day of April 2008.

s/ Marcia G. Cooke
MARCIA G. COOKE
United States District Judge

(Cont'd)

of discretion, if such an abuse exists, in granting or denying a § 1404(a) transfer, and further, that a § 1292(b) review is an improper method for challenging a judge's exercise of discretion under § 1404(a). Lastly, it appears that the Ninth Circuit, "[o]n appeal from a final judgment [] may exercise [its] appellate jurisdiction to review a district court's transfer order, even if the transferor court is not within our circuit." *American Fidelity Fire Ins. Co. v. U.S. Dist. Court for Northern Dist. of California*, 538 F.2d 1371, 1377 n.4 (9th Cir. 1976).

APPENDIX D — OPINION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA DATED FEBRUARY 25, 2008

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

Case No.: 07-20624-CIV COOKE/BROWN

NISSM CORP.,

Plaintiff,

v.

TIME WARNER, INC., *et al.*,

Defendants.

TRANSFER ORDER OPINION

Plaintiff Nissim Corp. ("Plaintiff" or "Nissim") filed a patent infringement suit in the Southern District of Florida against Time Warner, Inc., Warner Bros. Entertainment, Inc., Warner Home Video, Inc., and New Line Home Entertainment, Inc. (collectively "Defendants"). Plaintiff claims that not only have Defendants themselves infringed the intellectual property at issue, but also have induced several non-party entities to infringe. Plaintiff attributes all liability to Defendants.

Appendix D

After some initial settlement attempts, Defendants moved to transfer the case to the Central District of California. The filings and record before me revealed that the Central District of California is indeed a better venue for this case than the Southern District of Florida. Much of the allegedly wrongful activity by Defendants occurred within the Central District of California, Los Angeles County, in particular. The majority of key witnesses and documents, thus, would be found there. In addition, most of the indirectly accused non-parties are located in Los Angeles County, California. These non-parties' employees and records—foreseeable, material evidence in this case—reside largely within the Central District of California, potentially outside my subpoena power, but well within the Central District's reach. Therefore, the interest of justice compelled transfer as further explained below.

Plaintiff Nissim is a Florida corporation with only one employee, CEO Max Abecassis. Mr. Abecassis is the inventor of the patents at issue. Nissim's business is to license and enforce its patents. In that regard, Plaintiff Nissim alleges that Defendants' DVD-related operations directly infringe Plaintiff's patents. Plaintiff also looks to implicate Defendants for indirect non-party infringement by way of inducement.

Of the four Defendants, the three Warner Defendants are Delaware corporations whose DVD-related operations predominantly take place in the Central District of California. The remaining Defendant, New Line Cinema, is a New York corporation whose

DVD-related operations are also largely located in the Central District of California.

Furthermore, California's Central District houses the major non-party companies related to this suit. The non-party companies account for about 80 percent of the domestic DVD sales, as opposed about 20 percent by the named Defendants. These related non-parties, thus, may have witnesses and evidence crucial to this case. Of these non-party companies, the six major DVD distributors, Buena Vista Home Entertainment, Inc., 20th Century Fox Home Entertainment, Sony Pictures Home Entertainment, Universal Studios Home Entertainment, Paramount Home Entertainment, and Lions Gate Home Entertainment, Inc., are all located in Los Angeles County, in the Central District of California. Like Defendants, these companies, too, carry out their DVD-related operations largely within that District.

In a case such as this, district courts have the power to decline jurisdiction in the interest of justice or for convenience, even when a plaintiff's chosen venue is permissible. *See Gulf Oil Corp. v. Gilbert*, 330 U.S. 501, 506-507 (1946) (superceded by statute on other grounds, as explained in *American Dredging Co. v. Miller*, 510 U.S. 443, 449 (1994)). A motion to transfer from one federal district to another is governed by 28 U.S.C. § 1404(a), which provides: "For the convenience of parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought." This

statute authorizes a court to transfer the venue of a case in order to avoid unnecessary inconvenience to the litigants, witnesses and the public, and to conserve time, energy and money. *See Van Dusen v. Barrack*, 376 U.S. 612, 616 (1964).

A motion to transfer a patent infringement suit is governed by the law of the regional circuit in which the district court sits—in this case, the Eleventh Circuit. *Winner Int'l Royalty Corp. v. Wang*, 202 F.3d 1340, 1352 (Fed. Cir. 2000). The Eleventh Circuit has recognized that district courts have broad discretion in determining whether to transfer a case to another district for the convenience of the parties and witnesses, and in the interests of justice. *See England v. ITT Thompson Industries, Inc.*, 856 F.2d 1518, 1520 (11th Cir. 1988); *Thermal Technologies, Inc., v. Dade Service Corp.*, 282 F. Supp. 2d 1373, 1375 (S.D. Fla. 2003).

To determine the propriety of transfer, courts engage in a two-step analysis under § 1404(a). First, courts determine whether the action could have been brought in the venue in which transfer is sought. Second, courts assess whether convenience and the interest of justice require transfer to the requested forum. *See Thermal Techs.*, 282 F. Supp. 2d at 1376; *Jewelmasters, Inc. v. May Dep't Stores*, 840 F. Supp. 893, 894-95 (S.D. Fla. 1993) (citing *Continental Grain Co. v. The Barge FBL-585*, 364 U.S. 19 (1960)).

Here, the first step is easy—this case could have been filed in the Central District of California because:

(1) all Defendants are subject to personal jurisdiction in the Central District of California,[1] and (2) most of the allegedly unlawful activity occurred in that District. See *Jewelmasters*, 840 F. Supp. at 894-95.

I turn now to § 1404(a)'s second step—whether California's Central District is the more appropriate venue for this case. In making this determination, Courts focus on the following factors: (1) convenience of the parties; (2) convenience of the witnesses; (3) relative ease of access to sources of proof; (4) availability of process to compel presence of unwilling witnesses; (5) cost of obtaining presence of witnesses; (6) plaintiff's choice of venue; and (7) the public interest. *See Gulf Oil Corp.*, 330 U.S. at 508-509; *Windmere Corp. v. Remington Products, Inc.*, 617 F. Supp. 8, 10 (S.D. Fla. 1985).

In the present case, all factors except Plaintiff's choice of venue support transfer. After reviewing the filings on record, I find that most of the material evidence in this case, including party and non-party witnesses and documents, is predominantly located in the Central District of California, not the Southern District of Florida.

The issues in this case involve (1) eleven of Plaintiff's patents, (2) Defendants' and non-parties' DVD-related operations allegedly claimed by those patents, and (3) documents related to those operations. Plaintiff Nissim

1. Defendants have also stipulated this in their filings.

has only one employee, CEO/Inventor Max Abecassis. He is likely to be a material witness, and admittedly, he resides in Florida. By comparison, however, Defendants have numerous potentially critical witnesses residing in the Central District of California. Furthermore, non-party witnesses, perhaps even more crucial to the fair resolution of this case, as well, reside predominantly in the Central District of California; over those witnesses, the Southern District of Florida may lack subpoena power altogether, thus having the potential of losing key testimony. *See Fed. R. Civ. P. 45(c)(3)(A).* Finally, the Central District of California houses the bulk of relevant documents bearing on the alleged infringement.

There is little doubt, then, that six of the seven transfer factors—conveniences, access to proof, availability of process, cost, and public interest—all warrant that this case be litigated in the Central District of California. To deny transfer to that District would be to contravene the interest of justice. This case does not belong in the Southern District of Florida, but rather in the Central District of California. I, therefore, granted transfer.

As an ancillary matter, I did consider Plaintiff's Motion [DE 43] to Strike Defendants' Reply to the instant Motion to Transfer. That Motion to Strike is, at best, unmeritorious, and, at worst, an improper sur-reply. In either case, it is **DENIED *as moot*** in light of the transfer.

Appendix D

DONE and ORDERED in Chambers in Miami, FL this 25th day of February 2008.

s/ Marcia G. Cooke
MARCIA G. COOKE
United States District Judge

APPENDIX E — ORDER OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF FLORIDA DATED JANUARY 31, 2008

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

Case No.: 07-20624-CIV COOKE/BROWN

NISSIM CORP.,

Plaintiff,

v.

TIME WARNER, INC., *et al.*,

Defendants.

ORDER GRANTING MOTION TO TRANSFER

The file in this matter reveals that the Central District of California is the most proper venue for this case. Accordingly, Defendants' Motion to Transfer to the Central District of California [DE 28] is GRANTED. An opinion on this Order will be docketed as a separate document entry.

The Clerk shall take all steps necessary to expedite the Transfer of this matter to the Central District of California.

Appendix E

DONE and ORDERED in chambers, Miami, FL this day of January 2008.

s/ Marcia G. Cooke
MARCIA G. COOKE
United States District Judge